

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer: MARC VENTURA
Business Address: 4463 Pahee St., Suite 210, Lihue, Kauai, Hawaii 96766

Project Name (*): VENTURA CONDOMINIUM
Address: 568 Kamalu Road, Kapaa, Kauai, Hawaii 96746

Registration No. 5993

Effective date: November 5, 2007

Expiration date: Non-expiring pursuant to §514A-43(b), HRS

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

☐ **PRELIMINARY:**
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

☐ **FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

☒ **SUPPLEMENTARY:**
(pink) This report updates information contained in the:
[] Preliminary Public Report dated: _____
[X] Final Public Report dated: June 9, 2006
[] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports.
[X] Must be read together with the Final Public Report dated June 9, 2006
[] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[] Required and attached to this report [X] Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[] No prior reports have been issued by the developer.

[X] Changes made are as follows:

1. Additional Dwelling Unit ("ADU") – Unit B. Current County ordinances relating to building an ADU on other than residentially zoned parcels apply to Unit B. Presently, a purchaser of Unit B must apply for and receive a building permit by DECEMBER 15, 2009 in order to construct an ADU on Unit B.
2. Real Estate Broker. The real estate broker has been changed to Sleeping Giant Realty, Inc. dba Sleeping Giant Sotheby's International Realty.
3. Developer's mailing address. The Developer's mailing address has been changed.
4. Amendments to Mortgage. There have been two (2) amendments to the Mortgage recorded as Document No. 2005-184691: the Mortgage was amended by instrument dated March 19, 2007, and recorded in the Bureau of Conveyances as Document No. 2007-053614, and also amended by instrument dated April 25, 2007, and recorded in the Bureau of Conveyances as Document No. 2007-078848.
5. Revised Pages. Pages 1, 2, 2a, 5, 10, 14, 19, 20, 21, Exhibit "D" and Exhibit "E" constitute this short form Supplementary Public Report. A summary of the changes are as follows:

Pages 5 and 9:	This reflects the updated address of both the Developer and real estate broker.
Page 10:	This reflects the updated address of the Developer.
Page 14:	A new title search was provided, which is dated August 31, 2007.
Page 20:	Item No. 3 of this page was revised to reflect the change in the law.
Exhibit "D":	This was updated to reflect the current encumbrances.
Exhibit "E":	A new specimen Sales Contract was provided, and this was amended to show a summary of it.

SPECIAL ATTENTION

1. This is a CONDOMINIUM PROJECT; this is not a subdivision. This Project does not involve the sale of individual subdivided lots. A purchaser of a unit will be conveyed a unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element that each purchaser has the exclusive right to use is called a limited common element or area, but is not a separate, legally subdivided lot. The land beneath and immediate adjacent to each unit, as shown on the Condominium Map, is designated as a limited common element and does not represent a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

There are County of Kauai (County) restrictions on the number of residential dwelling units, or other structures, which may be built on the property. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. PRIOR TO PURCHASE, THE PROSPECTIVE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, ON THE PROPERTY.

2. There are presently two (2) sheds on the property, both of which may be defined as an "apartment" under the Condominium Property Act.
3. This Public Report does **not** constitute an approval of the project by the Real Estate Commission or any other governmental agency. This Public Report also does not ensure that all county codes, ordinances, and subdivision requirements have necessarily been complied with.
4. Facilities and improvements normally associated with County-approved subdivisions such as improved access for owner and emergency traffic, fire protection devices, and drainage facilities may not necessarily be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.
5. The land may be subject to rollback or retroactive real property taxes. The failure of an owner to observe restrictions on the use of the land may cancel the County dedication and special real property tax assessment. Please refer to the Director of Finance, County of Kauai for further information.
6. This Project is within the State Land Use Commission Agricultural District. Please see page 20 of this report for special requirements for residential dwellings within this district.
7. Common Interests. The Developer discloses that the Common Interest has been divided as shown: Unit A shall have appurtenant thereto an undivided seventy-five percent (75%) interest, and Unit B shall have appurtenant thereto an undivided twenty-five percent (25%) interest, in all common elements of the property, and the same proportionate share in all common profits and common expenses of the property (except as may be otherwise provided in the Bylaws) and for all other purposes, including voting. The percentage common interest for each unit is determined by apportioning the interest to each unit irrespective of the actual land areas contained in each unit. A prospective purchaser should be aware that any amendment to the Declaration or Bylaws will require the approval of at least 75% of the common interest in the Project. The Developer discloses that the impact of this disproportionate interest in the voting rights of Unit B means that, because Unit A has a controlling 75% interest, Unit A will not need the approval of Unit B to make changes to the Project. Therefore, a prospective purchaser of Unit B should be aware that he or she will be subject to changes made, if any, solely by the owner of Unit A.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO REVIEW CAREFULLY THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: MARC VENTURA Phone: (808) 246-3936
Name* (Business)

Business Address
4463 Pahee St., Suite 210
Lihue, Kauai, Hawaii 96766

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
N/A

Real Estate Broker*: Sleeping Giant Realty, Inc. dba Sleeping Giant Phone: (808) 245-8831
Sotheby's International Realty (Business)
Name
4480 Ahukini Road
Business Address
Lihue, Kauai, Hawaii 96766

Escrow Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street, 1st Floor
Business Address
Honolulu, Hawaii 96813

General Contractor*: Golden Rule Construction, Inc. Phone: (808) 639-2651
Name (Business)
3646-A Moloa'a Road
Business Address (Principal is Richard A. Schunk CT-20020)
Moloka'a, Kauai, Hawaii 96703

Condominium Managing Agent*: Self-managed by the Association of Phone: N/A
Name (Business)
Unit Owners
Business Address

Attorney for Developer: Michelle S. Miyake, Esq. Phone: (808) 634-2244
Name (Business)
P.O. Box 3050
Business Address
Lihue, Kauai, Hawaii 96766-6050

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

Fee Owner: MARC VENTURA
Name
4463 Pahee St., Suite 210
Address
Lihue, Kauai, Hawaii 96766

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

1. ☒ New Building(s)
☐ Conversion of Existing Building(s)
☐ Both New Building(s) and Conversion

2. Number of Buildings: 2 Floors Per Building: 1

☒ Exhibit A contains further explanations.

3. **Principal Construction Material:**

☐ Concrete ☐ Hollow Tile ☐ Wood

☒ Other Iron fence posts with shade cloth

4. **Uses Permitted by Zoning:**

	No. of Apts.	Use Permitted By Zoning	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	_____	<input checked="" type="checkbox"/> Yes **	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other: Shed	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

☒ Yes ☐ No

****NOTE:** The subject property is within the State Land Use Agricultural District and is zoned Open by the County of Kauai. "Farm Dwelling" and other structures appropriate to agricultural uses are permitted, subject to specific use restrictions in the agricultural and open zones. See disclosures on page 2 and 20 of this Supplementary Public Report.

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

☐ There are no limited common elements in this project.

☒ The limited common elements and the apartments which use them, as described in the Declaration, are:

☒ described in Exhibit C*.

☐ as follows:

*Note: The land areas referenced in Exhibit C are not legally subdivided lots.

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

☐ described in Exhibit _____.

☒ as follows:

Unit A: 75% appurtenant common interest
Unit B: 25% appurtenant common interest
100% total

See page 2a of this Supplementary Public Report.

- E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit D describes the encumbrances against the title contained in the title report dated August 31, 2007 and issued by Title Guaranty of Hawaii, Inc.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other: Declaration of Covenants and Restrictions, dated June 28, 1991;
Nonou Rise Estates Easement Declarations, dated October 31, 1991

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5993 filed with the Real Estate Commission on April 28, 2006.

Reproduction of Report. When reproduced, this report must be on:

☐ YELLOW paper stock

☐ WHITE paper stock

☒ PINK paper stock

C. **Additional Information Not Covered Above**

1. **Not a Subdivision.** This is a condominium project which should not be confused with a subdivision. To determine whether your expectations can be realized, you should review carefully the contents of this Final Public Report, especially Exhibit J, a summary of the recorded restrictive covenants for the subdivision within which this Project is located. Among other things, the restrictive covenants govern land use, building type and materials, possession of animals, and cultivation of crops. You also should conduct your own investigations and ascertain the validity of information provided.
2. **Agricultural Restrictions.** As to all units, it is anticipated that the initial improvements on each unit will be replaced by or supplemented with a farm dwelling. The prospective purchaser shall have the right to build such farm dwelling at purchaser's expense. The purchaser also, shall, in such event, file the "as-built" certificate within thirty (30) days of completion of the farm dwelling in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment to the Declaration of Condominium Property Regime of Ventura Condominium ("the Declaration") to describe the farm dwelling. The County of Kauai Planning Department may require, to process the necessary permits for the construction of a farm dwelling and the processing of a Farm Dwelling Agreement, authorization from at least 75% of the legal and equitable ownership of the entire Project. In most cases, a farm dwelling may not be constructed unless a unit owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval.

The Project is located on land within the State Land Use Agricultural District and is zoned Open by the County. Except as limited specifically by the condominium documents and subdivision restrictive covenants, all uses permitted in the agricultural and open zones are permitted. Uses in one zone are not the same as in the other, and a prospective purchaser should consult with the appropriate County agency for information on uses and construction in the respective zones.

A prospective purchaser should understand that all development and use of the property shall be in compliance with County codes and ordinances, that owners in this Condominium Project will not necessarily receive the same County benefits as owners of approved subdivided lots and that owners who develop their limited common element later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations.

3. **Additional Dwelling Unit.** Current County ordinances allow for the construction of one (1) farm dwelling (Unit A) and one (1) "additional dwelling unit" (ADU) on the property (Unit B). With respect to Unit B (the ADU), the Developer confirms that the ADU Facilities Clearance Form was certified as completed by the Planning Department by June 15, 2007. **Therefore, under current County ordinances, a purchaser of Unit B MUST OBTAIN A BUILDING PERMIT BY DECEMBER 15, 2009.** In other words, a purchaser of Unit B must apply for and receive a building permit by DECEMBER 15, 2009 in order to construct an ADU on Unit B.

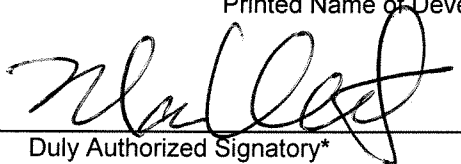
No warranty or representation is made by the Developer as to the ability of any owner to construct an ADU on Unit B at any specific time in the future. Under current County zoning and building procedures, the ADU is defined as the second of the single-family dwellings to be constructed on the property; the first single-family dwelling to be constructed on the property will not be considered by the County as an ADU but rather will be considered by the County as the "primary" single-family dwelling authorized to be constructed on the property. Unit A is considered the primary single-family dwelling authorized to be constructed on the property.

A prospective purchaser is advised to contact the County Planning Department to determine where there is any risk from pending or proposed zoning changes. A purchaser who does not plan to build in the immediate future may find that passage of time or a change in the Comprehensive Zoning Ordinance may preclude any development of the ADU in this Project.

In other words, a prospective purchaser of the Project should consult with County planning authorities regarding an ADU, other building permit requirements, and any amendments to applicable ordinances regarding the same that may have been adopted subsequent to the date of this Condominium Public Report.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

MARC VENTURA
Printed Name of Developer

By:  _____
Duly Authorized Signatory*

9.17.07

Date

MARC VENTURA, Developer/Owner
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

****Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

Exhibit "D"

Encumbrances Against Title

1. For real property taxes due and owing, refer to the County of Kauai, Real Property Tax Office.

-Note: - Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Reservation as set forth in Land Patent Grant No. 8620 to-wit: "Also, excepting and reserving the waters and all riparian and other rights in or to the stream aforesaid and in or to the streams passing over and across said lot."
3. Building setback line and drainageway shown on survey map dated December 18, 1989, prepared by Wayne T. Wada, Registered Professional Land Surveyor.
4. Easement "C" for access and utility purposes, shown on Survey Map dated December 18, 1989, prepared by Wayne T. Wada, Registered Professional Land Surveyor.
5. RIGHT-OF-ENTRY

TO : CITIZENS UTILITIES COMPANY, a Delaware Corporation
DATED : February 22, 1991
RECORDED : Document No. 91-042805
GRANTING : a right-of-way entry across Lot 1-A, Tax Key Number (4) 4-2-003-015 & 050, for utility purposes

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS AND RESTRICTIONS
DATED : June 28, 1991
RECORDED : Document No. 91-090301

JOINDER TO DECLARATION OF COVENANTS AND RESTRICTIONS NONOU
RISE ESTATES dated October 7, 1991, recorded as Document No. 91-159455.

7. GRANT
TO : Lots 2, 3, and 4
DATED : October 31, 1991
RECORDED : Document No. 91-159456
GRANTING : an easement over said Easement "C", besides other easements

8. GRANT

TO : CITIZENS UTILITIES COMPANY, a Delaware Corporation
DATED : February 11, 1992
RECORDED : Document No. 92-074312
GRANTING : an easement over said Easements "A", "B", and "C", as particularly described therein

The interest of CITIZENS UTILITIES COMPANY, a Delaware corporation has been assigned to KAUAI ISLAND UTILITY CO-OP, a Hawaii cooperative association by instrument dated November 1, 2002, recorded as Document No. 2002-194848.

9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : FARM DWELLING AGREEMENT
DATED : April 11, 1995
RECORDED : Document No. 95-075183
PARTIES : THAMBY and MALA KUMARAN, and the COUNTY OF KAUAI PLANNING DEPARTMENT

SUBORDINATION AGREEMENT

DATED : September 15, 2005
RECORDED : Document No. 2005-204210

Subordinates said above Agreement to the lien of that certain Mortgage recorded as Document No. 2005-184691.

10. MORTGAGE

LOAN/ACCOUNT NO. 20294818

MORTGAGOR : MARC VENTURA, a married man
MORTGAGEE : MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., as nominee for AMERICAN SAVINGS BANK, F.S.B., a federal savings bank
DATED : September 12, 2005
RECORDED : Document No. 2005-184691
AMOUNT : \$750,000.00

ABOVE MORTGAGE AMENDED BY INSTRUMENT

DATED : March 19, 2007
RECORDED : Document No. 2007-053614

ABOVE MORTGAGE AMENDED BY INSTRUMENT

DATED : April 25, 2007
RECORDED : Document No. 2007-078848
RE : to increase the principal amount from \$750,000.00 to \$850,000.00

11. Location of the boundary of Kalama Stream and the effect, if any, upon the area of the land described herein, and the free flowage thereof.
12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Condominium Property Regime dated December 21, 2005, and recorded on March 22, 2006 in the Bureau of Conveyances, State of Hawaii, as Document No. 2006-054313, as amended by First Amendment to the Declaration of Condominium Property Regime of Ventura Condominium dated April 12, 2006, and recorded on April 17, 2006 in the Bureau of Conveyances, State of Hawaii, as Document No. 2006-070446.
13. Condominium Map recorded as Map No. 4194, recorded in the Bureau of Conveyances, State of Hawaii, and any amendments thereto.
14. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Bylaws of the Association of Unit Owners of Ventura Condominium dated December 21, 2005, and recorded on March 22, 2006 in the Bureau of Conveyances, State of Hawaii, as Document No. 2006-054314.

Exhibit "E"

Summary of Sales Contract

The Sales Contract will contain the purchase price, description and location of the unit and other terms and conditions under which a Purchaser will agree to buy a unit in the Project. Among other things, the Sales Contract:

1. Provides a section of financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.
2. Provides that Purchaser will not receive interest on deposits made under the Sales Contract.
3. Identifies the escrow agent and states that Purchaser's deposit will be held in escrow under the terms of the Escrow Agreement.
4. Purchaser acknowledges having received and read the final public report for the Project prior to signing the Sales Contract, and any amendments.
5. Provides a section of closing to be completed and agreed to by the parties which will set forth that Purchaser must close the purchase on or before a certain date.
6. Provides for the allocation of payment of closing costs.
7. Provides the following remedies, in the event of default under the Sales Contract:
 - a. By Purchaser:
 - i. seller may bring an action against Purchaser for damages for breach of contract;
 - ii. seller may retain Purchaser's initial deposit; and
 - iii. purchaser shall be responsible for expenses incurred.
 - b. By Seller:
 - i. purchaser may bring an action against Seller for damages for breach of contract;
 - ii. purchaser may bring an action to compel Seller to perform under contract; and
 - iii. seller shall be responsible for expenses incurred.
 - c. Any awards to the prevailing party in any action are subordinate to escrow's expenses.
8. The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read them with care.

End of Exhibit "E"